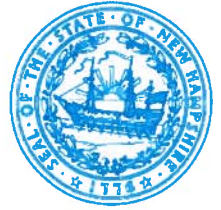




The State of New Hampshire
Department of Environmental Services

Clark B. Freise, Assistant Commissioner



April 11, 2017

The Honorable Neal Kurk
Chair, House Finance Committee
Legislative Office Building, Room 210
Concord, NH 03301

RE: Floor Amendment to SB 57-FN-A – An act making appropriations to the department of environmental services for the purposes of funding eligible drinking water and wastewater projects under the state aid grant program and relative to making an appropriation from the drinking water and groundwater trust fund to the department of environmental services to address drinking water contamination in Amherst.

Dear Chair Kurk and Members of the Committee:

Thank you for the opportunity to comment on the Floor Amendment to SB 57-FN-A. This bill would appropriate funds for eligible and completed wastewater projects under the state aid grant program and appropriate funds from the drinking water and groundwater trust fund to address drinking water contamination in Amherst. The New Hampshire Department of Environmental Services (NHDES) supports this bill as amended with the recommended changes noted below.

The state aid grant program for water pollution control, authorized under relevant sections of RSA 486, is among the most important and successful environmental programs in the New Hampshire's history. Over the past 50 years, more than \$400 million in aid has been granted to eligible New Hampshire entities to help offset the cost of local environmental infrastructure projects. Many of our communities would have found necessary environmental infrastructure projects unaffordable were it not for state aid grants. This investment in local infrastructure aids the entire state by supporting a healthy, clean environment that benefits residents and supports our vital tourism economy.

NHDES administers the state aid grant program and serves as the pass through agency for these funds which are made available by appropriations to the NHDES operating budget. Based on our review of SB 57-A-FN, we recommend the following amendments:

- Under Section 2 (lines 13 and 14), omit "Nashua D2013-0808 CSO-004 Infrastructure Improvement Burke Street Phase 1" because this project was not completed until April 30, 2014, and does not meet the criteria stated in lines 6 and 7 of Section 2, "Projects with warrant articles after December 31, 2008, that were completed before July 1, 2013, but without SAG application process and final certification for payment before July 1, 2013".

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- Under Section 2, add the "Nashua 158-25 Harbor Avenue Area Sewer Separation" project with appropriations of \$68,264 in FY 2018 and \$68,264 in FY 2019 because this project meets the criteria of SB 57-FN-A.
- If the changes recommended above are made, Section 2 of SB 57-FN-A would include the following projects:

NCWP	D2009-0911	Contract 7 Ash Street	\$36,541	\$36,540
Merrimack	215-09	WWTF Dewatering Upgrade	\$81,372	\$79,458
Nashua	D2005-1219, 158-24	Wet Weather Treatment Facility	\$435,202	\$426,779
Nashua	D2013-0808	Infrastructure Improvement Burke Street	\$21,510	\$21,510
Nashua	158-25	Harbor Ave Area Sewer Separation	\$68,264	\$68,264
Claremont	114-15	Maple Ave Sewer Improve & Rehab. Ph. 1 & 2	\$26,992	\$26,993
Dover	D2011-0102	WWTF Dewatering Upgrade	\$44,395	\$44,395
Enfield	D2011-0305	Route 4 Sewer & Water Extension	\$34,767	\$34,766
Total			\$727,533	\$717,195

As a result, the appropriation in Section 1 (line 2) and Section 2 (line 21) would change from "1,351,220" to "1,444,728", the FY 2018 appropriation in Section 2 (line 18) would increase from "\$680,779" to "\$727,533" and the FY2019 appropriation would increase from "\$670,441" to "\$717,195".

- The appropriated amounts for each project listed under Section 2 have not been fully vetted and are subject to change. As such, we would encourage the language "but without SAG application process and final certification for payment before July 1, 2013" (Section 2, lines 7 and 8) be replaced with "are hereby awarded State Aid Grants in accordance with RSA 486 in amounts to be calculated by the Department of Environmental Services, beginning in Fiscal Year 2018." Additionally, we recommend that the dollar amount for each project listed in lines 20 through 27 of Section 2 be deleted and replaced with the single total dollar amount of \$1,444,728 in line 21 of Section 2.
- NHDES has completed its review of grant eligibility for the twelve projects listed in lines 1 through 21 of Section 4 and has calculated final grant amounts. The final estimated grant amounts are as follows:

			<u>FY 2018</u>	<u>FY 2019</u>
Portsmouth	D2011-0502	Lincoln Area Sewer Separation - Contract #3B	\$84,954	\$90,049
		Cass, Aldrich Street Area Sewer		
Portsmouth	D2011-1101	Improvements	\$53,412	\$56,610
Portsmouth	106-12	Rye Line Pump Station	\$28,941	\$25,045
Nashua	D2004-0906	Primary Clarifier Rehabilitation	\$219,351	\$219,351
Durham	D2010-0213	West End Sewer Improvements	\$672	\$2,478
		Inflow & Infiltration Reduction, Ph. 1,		
Berlin	D2011- 0705	Contract 2	\$31,283	\$31,283

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Portsmouth	D2013-D102	Lincoln Area Sewer Separation - Contract #3C	\$89,203	\$87,492
Conway Village				
FD	237-04	Sewerage Improvements Program Phase II	\$87,987	\$76,534
	092-04 and 092-	WWTF & Energy Evaluation Improvements,		
Lebanon	06	Ph. 2	\$182,395	\$180,400
		Wastewater Treatment Facility Phase 2		
Berlin	111-05 & 111-06	Upgrade	\$73,867	\$147,734
Nashua	D2012-0202	WWTF Grit System and Dewatering Upgrade	\$21,825	\$69,844
Nashua	D2012-0605	Aeration and Secondary Clarifier Upgrade	<u>\$102,894</u>	<u>\$102,906</u>
Total			\$976,784	\$1,089,726

As a result, under Section 3 (line 23) and under Section 4 (line 21), the appropriation would change from "\$2,228,692" to "\$2,066,510", and under Section 4 (line 20), the FY2018 appropriation would decrease from "\$1,114,346" to "\$976,784" and the FY2019 appropriation would decrease from "\$1,114,346" to "\$1,089,726".

- Other minor technical amendments include:
 - Section 1 (line 3) and section 3 (line 24) revise "2017" to "2019".
 - Section 5, paragraph III (line 36) and Section 5, paragraph IV (lines 1 and 2), revise "state water pollution control revolving loan fund" to "state drinking water revolving loan fund".

NHDES believes that enactment of this bill would represent an important step in the continuing effort to help our cities and towns offset the high cost of environmental infrastructure that benefits the entire state as well as address drinking water contamination in Amherst. Please feel free to call Eugene Forbes, Water Division Director, at 271-3308, or me at 271- 2958, if you have any questions or need additional information.

Sincerely,

Clark B. Freise
Assistant Commissioner

cc: Sponsors of SB 57-FN-A: Sen. Bradley, Sen. Giuda, Rep. Buco, Rep. Umberger, Rep. Danielson, Rep. Rosenwald, Rep. L. Ober

